Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1989	Apr. 1989	May.* 1988	May* 1989	Apr. 1989	May 1988	May* 1989	Apr. 1989	May 1988
Manufacturing	402.52	403.27	404.48	40.7	40.9	41.4	9.89	9.86	9.77
Aircraft & Missiles	591.91	604.12	INA	43.3	44.0	INA	13.67	13.73	INA
Food & Kindred Prod.	341.74	340.09	343.01	40.3	40.2	39.7	8.48	8.46	8.64
Primary Metals	513.38	499.87	488.43	39.1	38.6	39.2	13.13	12.95	12.46
Machinery	399.27	393.20	407.11	40.7	40.0	42.1	9.81	9.83	9.67
Copper Mining	558.95	544.00	510.06	43.6	42.7	41.3	12.82	12.74	12.35
Construction	423.45	430.52	437.47	36.1	36.3	37.2	11.73	11.86	11.76
Utilities	681.80	695.97	614.01	40.9	41.6	42.2	16.67	16.73	14.55
Retail Trade**	251.84	254.64	245.02	33.4	33.2	32.8	7.54	7.67	7.47
Wholesale Trade	371.32	372.27	394.71	38.8	38.9	40.4	9.57	9.57	9.77

Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1989	Apr. 1989	May 1988	May* 1989	Apr. 1989	May 1988	May* 1989	Apr. 1989	May 1988
Manufacturing	421.20	425.58	430.73	40.5	41.0	41.9	10.40	10.38	10.28
Construction	439.83	447.60	459.56	36.5	36.9	37.7	12.05	12.13	12.19
Retail Trade**	265.20	269.62	270.21	34.0	34.0	33.4	7.80	7.93	8.09
Wholesale Trade	387.29	394.21	411.82	39.6	39.5	41.1	9.78	9.98	10.02

Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1989	Apr. 1989	May 1988	May* 1989	Apr. 1989	May 1988	May* 1989	Apr. 1989	May 1988
Manufacturing	364.42	371.33	375.18	38.0	38.6	39.0	9.59	9.62	9.62
Copper Mining	589.81	574.60	559.40	43.4	42.5	42.8	13.59	13.52	13.07
Construction	390.77	397.67	387.32	36.9	37.2	37.1	10.59	10.69	10.44
Utilities	575.09	584.32	571.71	40.7	41.5	41.7	14.13	14.08	13.71

*Preliminary.
**Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
May 1989

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	15,550	36,150	45,425	12,900	9,150	2,950	5,800
Total Unemployment	1,650	1,975	2,525	1,050	600	200	325
Rate	10.6%	5.5%	5.6%	8.1%	6.6%	6.8%	5.6%
Rate (Seas. Adj.)**	13.1%	5.9%	6.7%	9.0%	7.4%	7.6%	6.4%
Total Employment	13,900	34,175	42,900	11,850	8,550	2,750	5,475

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	15,550	25,650	40,425	10,750	5,775	2,800	3,700
Manufacturing	875	1,250	2,950	1,350	200	50	325
Mining & Quarrying	50	125	150	1,300	0	1,550	100
Construction	975	850	1,700	575	225	175	225
T.C.P.U.	1,800	1,500	2,200	375	150	50	50
Trade	1,575	5,925	9,575	2,175	1,525	225	1,225
F.I.R.E.	325	700	950	275	100	25	100
Services & Misc.	4,575	4,825	10,875	2,050	900	150	875
Government	5,375	10,475	12,025	2,650	2,675	575	800

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	33,575	27,400	40,275	10,725	39,475	52,725
Total Unemployment	1,400	2,175	2,475	850	1,775	10,400
Rate	4.2%	7.9%	6.1%	7.9%	4.5%	19.7%
Rate (Seas. Adj.)**	4.4%	10.1%	6.5%	10.3%	4.8%	15.4%
Total Employment	32,175	25,225	37,800	9,875	37,700	42,325

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	22,850	20,500	31,150	9,925	26,100	27,925
Manufacturing	2,700	2,025	4,175	1,300	2,325	2,100
Mining & Quarrying	175	1,175	3,650	0	875	50
Construction	1,700	950	1,350	350	2,125	1,425
T.C.P.U.	1,150	1,750	925	575	975	1,050
Trade	6,925	4,100	5,600	4000	7,275	8,225
F.I.R.E.	1,000	400	775	275	975	1,025
Services & Misc.	5,400	4,600	4,225	1,625	5,925	6,225
Government	3,800	5,500	10,450	1,800	5,625	7,825

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs May 1989

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,742,007	1,661,305	80,702	4.6%
Apache	15,550	13,903	1,647	10.6
Cochise	36,140	34,167	1,973	5.5
Coconino	45,435	42,899	2,536	5.6
Gila	12,887	11,849	1,038	8.1
Graham	10,168	9,562	606	6.0
Greenlee	2,954	2,748	206	7.0
La Paz	5,778	5,465	313	5.4
Maricopa	1,079,630	1,039,226	40,404	3.7
Mohave	33,570	32,175	1,395	4.2
Navajo	27,418	25,237	2,181	8.0
Pima	330,244	317,361	12,883	3.9
Pinal	40,281	37,800	2,481	6.2
Santa Cruz	10,717	9,870	847	7.9
Yavapai	39,495	37,711	1,784	4.5
Yuma	52,741	42,332	10,409	19.7

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in May

(Continued from page 9)

the high-tech and defense-related components.

Construction, which had lost 13,000 jobs over the previous two years ending in April, added 900 in May. That's still about half the average May growth of the current business cycle expansion, and about equal to May growth of the last two years.

The related Finance, Insurance, and Real Estate (FIRE) industry added a seasonally weak 100 in May. Recent announcements of government take-overs of Phoenix savings and loans signal more employment losses to come in FIRE.

Services, the one industry that has been Arizona's most reliable, floundered in May. Its loss of 1,400 -- although less than half of last May's decline -- was substantially more than seasonally normal since 1982.

Trade, another pillar of the Arizona economy, was neither weak nor strong in May. There was good strength among department stores, but eating and drinking places were down 200 more than seasonally expected.

Government increased a few hundred in May, but in June this industry should bring large seasonal declines as school employment dwindles.

--Ron Simon,
Economic Analysis Manager

LMI Publications -- Hot Off the Press

The following revised publications prepared by the Department of Economic Security (DES), Research Administration, can be ordered by writing to the address on the back of this newsletter or by calling (602) 542-3871. One copy of each publication will be sent at no charge. Multiple copies are available at a nominal charge. DES offices can order directly from DES Supply.

The latest edition of *Job Bank Wages* (PAL-379) includes occupations and respective hourly wages (low, average, and high) that were offered in 1988 through the Department of Economic Security's Job Service. Occupations are listed alphabetically within occupational groups by the geographic area (statewide, county or city) they were offered.

Since many of the applicants using the Job Service were entering the labor force for the first time, *Job Bank Wages* is a valuable source of entry-level wage data. This publication is also one of the few sources of wage data for non-metropolitan areas of the state.

Occupational Employment Forecasts (PAL-363 to PAL-377A) are annual publications that detail the current and expected demand for occupations in Arizona, based on data taken from the Occupational Employment Statistics (OES) survey. The booklets, which are available for each Arizona county and the "state as a whole," include the following data for each occupation listed: employment projections for the years 1989, 1990 and 1994; projected number of job opportunities from 1989 to 1994; and projected job growth (number and percent) from 1989 to 1994.

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the LMI Newsletter is not responsible for incorrect information reported from these sources.

MANUFACTURING - Representatives of government, private industry and education in Arizona have banded together to develop a plan to land a recently formed computer-chip company designed to challenge Japanese control of that industry. Led by Maricopa County Supervisor Tom Freestone, the group will coordinate efforts to land the chip manufacturer -- **U.S. Memories Inc.** -- which is backed by a $1 billion consortium of computer giants, including International Business Machines, Intel Corp., and Digital Equipment Corp. A site for U.S. Memories' plant, which will employ between 2,000 and 5,000 workers, is expected to be selected within the next two months.

Phoenix Newspapers Inc., parent company of *The Arizona Republic* and *The Phoenix Gazette*, has announced plans to build a 250,000-square-foot plant at 19th Avenue and Williams Drive in north Phoenix. Phoenix Newspapers' second satellite plant, the printing facility will employ 400 workers and be in operation within three years. The company's first satellite plant, in Mesa, opened in 1982; a third plant is planned for Tolleson at an undetermined date.

Bull HN Information Systems Inc., a division of Groupe Bull of France, is laying off more than 100 employees at its Chandler manufacturing

(Continued on page 16)

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plant. "Changing product technologies and overall cost reductions" were cited for the cutbacks that affect more than three-fourths of the workers at the computer-board manufacturing facility. The layoffs will not affect Bull's 2,400 employees at its Deer Valley Computer Park in Phoenix.

Ground has been broken for a 250,000-square-foot manufacturing plant in south Tucson for **Weiser Lock Co.** Weiser Lock, which announced earlier this year it was moving its lock-making facility from Huntington Beach, Calif., expects the plant to be completed by January. Weiser Lock is currently filling 30 technical positions and will hire 300 to 400 other workers in the fall.

MINING - **Magma Copper Co.** and a group of **10 unions** have agreed on a three-year contract that covers 3,150 workers. The agreement calls for an increase in the base wage -- $1 an hour the first year; 25 cents in the second and third years -- plus additional increases tied to the price of copper. The raises, however, are only in effect as long as the price of copper -- currently around $1.06 a pound -- remains above 95 cents a pound.

CONSTRUCTION - **Recent housing statistics** are showing what employment figures have pointed to for the last two years -- metropolitan areas of the state are doing poorly, while parts of the northern part of Arizona are booming. **Home-building permits** in the Valley were down 29 percent -- 1,385 from 1,964 -- in the first five months of this year compared to the same period last year. **New building starts** in Show Low, however, doubled -- 42 versus 21 -- for the same period.

Two central Phoenix shopping centers are about to undergo major facelifts. A $2 million project for **Uptown Plaza**, located at Central Avenue and Camelback Road, will add 17 new stores and 23,205 square feet of retail space. And a $10 million undertaking at **Town & Country Shopping Center**, 20th Street and Camelback Road, will add a 133-room hotel, 450-care parking garage and 50,000 square feet of retail space.

TRADE - **Ole's Home Centers** will close its 10 Valley stores -- laying off 400 employees -- by September due to decreased revenues, primarily from fierce competition in the home-improvement market. A subsidiary of Builders Emporium of Irvine, Calif., Ole's will keep open its one other Arizona store, in Flagstaff. Two other home-improvement companies, Ray Lumber Co. and Neilson's Building Materials, both of Mesa, filed for bankruptcy protection in 1988. And Phoenix-based O'Malley's has shut down six of its 13 retail stores in Arizona and Texas since last year.

Seven **Denny's** restaurants in metropolitan Phoenix have closed down, but are expected to reopen under new ownership. All of the stores are franchise operations owned by De Dan Inc., which filed for reorganization under Chapter 11 of federal Bankruptcy Code. The closures forced layoffs of 200 employees.

House of Fabrics has opened its 12th store in metropolitan Phoenix, its sixth in the last 12 months. The 12,000-square-foot store at 3202 E. Greenway Road, is in line with the size of retail outlets the Sherman Oaks, Calif., company has been moving to since 1984. Prior to that, House of Fabrics, the nation's largest home-sewing and crafts retailer, primarily operated 4,000-square-foot stores in shopping malls.

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A U.S. bankruptcy court has approved the sale of **Bayless Markets Inc.** to a Seattle-based holding company. **Alistar Capital Corp.** plans to purchase and remodel Bayless' 10 stores -- all outside Phoenix -- and retain the former chain's 800 to 900 employees.

More than 850 jobs are expected to be created by the construction of **Peoria Palms**, a 38-acre retail shopping center at Bell Road and 75th Avenue. Developed by Arizona Building and Development Inc. of Chandler, the center will include a K Mart and Fry's Supermarket, plus seven other major tenants.

FINANCE, INSURANCE and REAL ESTATE - **Estes Development Co.** has sold its new Arizona Design Centre at 37th Street and University Drive in Phoenix to Birtcher of Laguna Nigel, Calif. The 138,000-square-foot center, which will employ 90 people, will have 30 showrooms filled with home furnishings that will be offered at wholesale prices to interior designers and architects.

Phoenix has become the home of a regional service center for Miami-based **John Alden Life Insurance Co.**, one of the largest health and life insurers in the country. About 70 people are employed by John Alden -- 40 of which were hired locally -- and will be involved in writing policies and servicing claims. John Alden, which expects to add 30 to 50 jobs in the next two years, specializes in insurance for companies that employ 25 and fewer workers.

TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES - A regional airline based in Montana hopes the sky's the limit when it begins service this fall at Scottsdale Municipal Airport. **Big Sky Airlines**, which serves 17 cities in three states, plans to operate two 19-seat aircraft on flights between Scottsdale and Tucson, and eventually expand service to southern California. Big Sky, following the lead of Stateswest Airlines in flying out of Scottsdale, filed for bankruptcy protection in March due to a poor regional economy, an airline official said.

Dallas-based **Southwest Airlines** is hiring an additional 350 employees to its Phoenix Sky Harbor Airport operation. The new jobs, which are in addition to 212 positions added since the first of the year, will be in reservations, ground operations and flight personnel. Southwest, with 101 daily departures from Sky Harbor, will have 1,771 employees in Phoenix by the end of 1989 with a $70 million payroll.

SERVICES AND MISCELLANEOUS - One of the largest U.S. telemarketers has increased its Valley sales staff from under 20 to 55, and plans to move its corporate headquarters from New Jersey to Scottsdale. **Response Communications**, which appeared ready to leave the Valley six months ago, has done a complete reversal and since has installed more than $1 million of computer-driven telecommunications equipment at its office at 64th Street and Thomas Road, and expects to have a work force of 200 within the next 12 months.

Occupancy rates of Arizona's hotels are expected to show slight improvement in 1989, reports a study by the accounting firm of Laventhol & Horwath, and Valley National Bank. While tourism in the state has been increasing steadily the past few years, occupancy rates have been dropping -- 59.8 percent in Phoenix in '88 versus 70.8 percent in '84 -- due to the dramatic number of new hotels. Metropolitan Phoenix' occupancy rate is predicted to rise to 62 percent; rates in Tucson are expected to remain at 64 percent; and Flagstaff's rate is forecast to rise

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to 73 percent this year from 71.4 percent in '88.

Ramada Inc. of Phoenix, which recently sold its worldwide hotel operations, has changed its name to **Aztar Corp.** The name change, however, will not affect the number of employees (50) at the corporate headquarters of Aztar, which retained ownership of its gaming properties in Nevada and Atlantic City. New World Development Corp. of Hong Kong, which bought Ramada's hotel group, has not indicated how its plans will affect the hotel chain's 300 administrative workers and 350 people employed at a reservations center, both in Phoenix.

At least three potential buyers have expressed interest in purchasing the **Arizona Biltmore**, which currently is owned by Lepercq/DBL Biltmore Associates of New York. Last fall a deal was struck with Stouffer Hotel Co. to purchase 60 percent of the famous resort property on 24th Street in central Phoenix, but the agreement fell through when a price for the hotel could not be reached.

Work is under way on a 24-bed substance-abuse and mental-health facility in Show Low for Navajo and Apache county residents. The **Community Counseling Center**, which has operated outpatient services in Holbrook and Winslow since 1966, is expected to open its building for around-the-clock care August 1.

Increasing competition in the convenience-store industry and high debt has forced Phoenix-based **Circle K Corp.** to streamline its operations. Circle K, which added 1,000 stores to the company in 1988, saw its net income drop 75 percent in the first quarter of 1989. The convenience-store chain, which is expected to sell some of its 4,685 stores in 33 states, laid off 250 administrative employees last year and probably will make further cuts in the near future.

GENERAL - Arizona set another state record for the number of **bankruptcies** filed with federal courts. In June, 1,487 bankruptcy cases were filed, topping by 67 the record for one month, set in May. The downturn in the state's economy -- primarily caused by a slack real estate and construction market -- and high credit-card debt are blamed for the large number of bankruptcy filings.

The Greater Phoenix Partnership, a year-old economic-development organization representing six Valley cities, has come up with a plan to lure business to the Phoenix area. Work on the plan, which came up with ways to fund a $1.7 million budget and appoint a board of directors, began in earnest six months ago after negative articles about the Valley appeared in several national publications. Meanwhile, the **Western Gateway Team**, an organization promoting west Valley economic development, has temporarily shut down due to financial problems and has filed for bankruptcy protection. A sluggish Valley economy, and problems of American Continental Corp., a major contributor to Western Gateway, were cited for the closure.

A study by U.S. West Corp. says business will boom in Arizona and other western states from now through 1993, and will be fueled by small businesses (fewer than 100 employees). An expansion in the West far outpacing the rest of the country will be due to high-tech manufacturing, general services, and business and professional services, the report concluded.

GOVERNMENT -- The city of Phoenix is studying eight sites in the Maryvale area for a $13.4 million, 18,000-seat amphitheater, spurned by a northeast Phoenix community in March

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because of noise and traffic concerns. At that point, citizens groups in the west Valley community began lobbying Phoenix officials, and later presented 2,500 signatures supporting the amphitheater project.

The Pima County Board of Supervisors has approved a $19 million project to develop **county office space** in the former Lawyers Title Building in downtown Tucson. The project also calls for erecting a parking garage and a YMCA branch.

VOCATIONAL EDUCATION -- Construction is expected to be completed in August on the **Maricopa Skill Center**, 1245 E. Buckeye Road. The center, which has been located at 4118 E. Wood St., features training in secretarial, carpentry, electrical, meat-cutting and automotive-repair skills. Besides adding 10,000 square feet of useable space, the $5.5 million facility is important because it is located in the Nuestro Barrio (between 7th and 14th streets, and Interstate 10 and the Southern Pacific Railroad tracks), an area of 5,600 people -- primarily minorities -- with an unemployment rate of more than 30 percent. One of the goals of the center is to help prepare individuals for about 14,000 jobs that will be created in the next decade at the nearby Sky Harbor Center, a multimillion-dollar commerce and industrial park west of Sky Harbor International Airport.

Beg Your Pardon

In the June Arizona LMI Newsletter, the telephone number to access a modem on the Arizona Automated Vendor Inquiry System (AAVIS) in Tucson was not given. The number, (602) 882-5502, is not toll free.

In the June Arizona LMI Newsletter, a story on summer jobs for youth included a partial list of DES Job Service offices. Information on the nearest Job Service office is available by calling 542-3608 in Phoenix.

BLS: Record Percentage of High School Graduates Enrolled in College

Approximately 2.7 million youth received high school diplomas in 1988, and a record 59 percent of those went on to enroll in college, the U.S. Bureau of Labor Statistics reports. Nearly half of those enrolled were also in the labor force.

These statistics, along with other information on students, were compiled from the Current Population Survey, a monthly examination of 56,000 households which provides data on the labor force, employment and unemployment. Among other data on students the survey found were:

- The percentage of high school graduates attending college has gone up nearly 10 points in the last decade. The enrollment of black graduates (45 percent), however, has stayed far below the rate of whites (61 percent) and Hispanics (57 percent).

- Of the 1.6 million college freshmen, 47 percent were in the labor force in October.

- About 85 percent of the 1988 high school class (1.1 million) who did not attend college were in the labor force. The unemployment rate for this group was 15.1 percent, the lowest level in 10 years.

- Approximately 100,000 graduates not in college were enrolled in at least one vocational education class.

- Of the 550,000 students who dropped out of high school between October 1987 and October 1988, 59 percent joined the labor force, but 26.7 percent of those were unemployed.

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9/25/89

ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIII No. 8
August 1989

Unemployment Rate

Seasonally Adjusted
June*

ARIZONA	5.2%
Maricopa County	4.3%
Pima County	4.6%
UNITED STATES	5.3%

Consumer Price Index

U.S. - July 1989
Base = 1982-84

Wage Earner Clerical Worker	122.8
% Chg. Year Ago	5.2
All Urban	124.1
% Chg. Year Ago	5.2

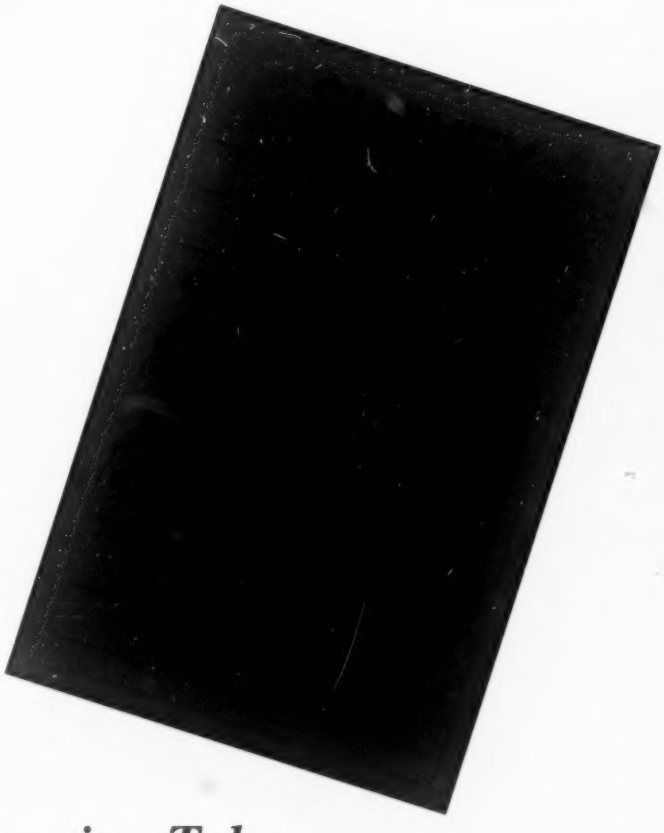
Phoenix - 2nd Qtr 1989
Base = 1982-84

All Urban	125.9
% Chg. Year Ago	5.0

Tucson - 2nd Qtr 1989
Base = 1982-84

All Urban	125.3
% Chg. Year Ago	4.6

* Preliminary



Keeping Tabs on Arizona's Work Force, P. 2

Inside This Issue

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Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Data Systems Surveys State's Vital Signs

RA's Largest Unit Operates Labor Information Programs

In an effort to give readers a better understanding of the functions of DES, Research Administration, for the last several months the Arizona LMI Newsletter has been taking an in-depth look at the data-gathering and analysis group that measures the state's economic pulse. Articles have been focusing on the four units that make up Research Administration -- Economic Analysis, Technical Support, Population Statistics, and Data Systems -- plus looking at what the future holds for this five-year-old administration. In this month's final installment, the Data Systems unit is discussed.

Fifth in a series

CES, OES, LAUS and ES-202 are terms that are not as familiar to the general public, as say, IBM, AT&T, IRS or FBI. But to economists and followers of employment statistics, the first group of abbreviations hold significant meaning.

In some cases dating back to the days of FDR (those initials should be familiar) and the New Deal, these terms represent the core of labor market information (LMI) programs developed over the years by the U.S. Bureau of Labor and its successor, the Bureau of Labor Statistics (BLS), to measure national, state, and local-area economic and social trends.

These federal-state cooperative programs are used by BLS and state employment security agencies (i.e., the Arizona Department of Economic Security) to track: 1) employment, hours, and earnings of workers at nonagricultural establishments; 2) employment by occupation; 3) employment and wages covered by unemployment insurance (UI) programs; and 4) state and substate unemployment rates.

Labor Market Information Terms

CES	-	Current Employment Statistics
LAUS	-	Local Area Employment Statistics
ES-202	-	Employment and Wages Program
OES	-	Occupational Employment Statistics
CPS	-	Current Population Survey
Benchmark	-	Adjustment of estimates to reflect actual data
UI Tax Files	-	Unemployment Insurance reports filed by employers
Disclosure Rules	-	Restrictions put on release of data (see Fig. 3)

Figure 1.

Data Systems, Research Administration's largest unit, is an umbrella group that is responsible for operating the LMI programs in Arizona, and is divided into three sections along the lines of each program (Figure 2). Prior to Research Administration's (and Data Systems') creation in 1984, most of the LMI programs were part of the DES Employment and Training Administration. The lone exception was the Employment and Wages (ES-202) program, which was brought over from the state's Unemployment Insurance Administration.

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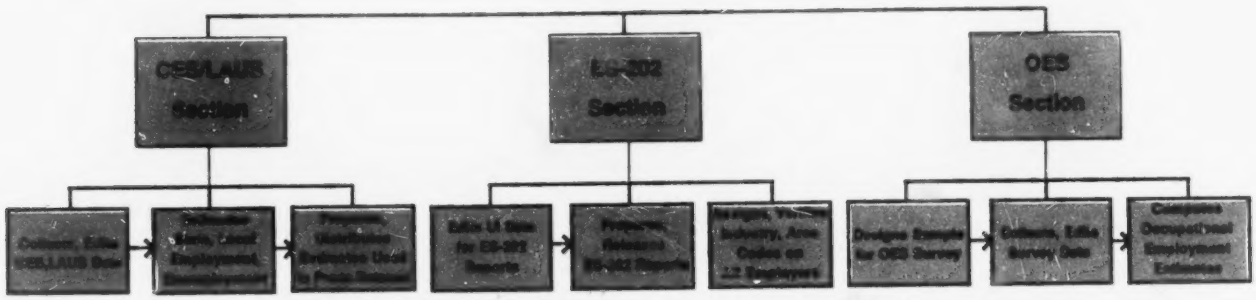

Figure 2. Functions of Research Administration, Data Systems

(Continued from page 2)

As Data Systems' name indicates, the unit is heavily oriented to data collection, with all of its 19-member staff being either research analysts or statistical clerks. This can have its advantages -- and was a primary reason for creating Data Systems -- in that it's easier to allocate resources.

One area where having overlapping skills has helped is in data verification. Although the LMI programs are primarily independent of each other and assigned a unique task, the programs do rely on each other to verify (benchmark) their data totals.

"There's a lot of commonalty among the programs. The base for the CES and OES programs comes from the ES-202 program," says Data Systems Manager Sue Smith, who has overseen the unit since its inception and been involved with DES employment programs for 21 years.

Another common thread that runs through Data Systems' programs is strict confidentiality rules. Because of the sensitive nature of companies' employment data -- and the fact that most of the LMI programs are voluntary -- BLS has set up rules that preclude the disclosure of specific company information (Figure 3).

Despite the fact LMI programs are primarily voluntary, Smith is quite proud of the fact that Data Systems has one of the better records among states in collecting data -- an 85 to 95 percent response rate, depending on the report.

"We work hard at it. We take extra time to telephone employers ... or help them complete a report," says Smith, adding that cooperation among the programs is also important. "All of the units become eyes and ears for the others' programs. They do have to help each other and share information back and forth."

CES/LAUS Section

The CES (Current Employment Statistics) and LAUS (Local Area Unemployment Statistics) programs, which develop monthly employment and unemployment data on a state and substate level, are run by one section of Data Systems. Two of the oldest LMI programs, CES and LAUS data are published each month in the *Arizona LMI Newsletter (see pages 10-14)*.

CES, which became a fully integrated state-federal cooperative program in

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